Govt drafts 25-year plan for agriculture

Focuses on sustainability and resilience

STAR BUSINESS REPORT

PHOTO: AZAHAR UDDIN

The agriculture ministry will formulate a comprehensive long-term strategic framework to guide agricultural transformation over the next 25 years. In this photo taken recently from the Deluabari area of Naogaon, a farmer is seen working in his field.

The interim government has set out to formulate the Agriculture Outlook 2050, a comprehensive long-term strategic framework designed to guide agricultural transformation over the next 25 years.

It aims to improve the use of land, water, soil, and biological resources as pressures on these resources continue to grow.

To be composed by the Ministry of Agriculture, the outlook will be designed to support efficient resource mobilisation, policy continuity, and accountability beyond short-term project cycles, said Md Mahmudur Rahman, additional secretary at the ministry, at a workshop.

The workshop titled "Transforming Bangladesh Agriculture: Outlook 2050" was organised by the agriculture ministry at the InterContinental Dhaka yesterday.

The sector is facing growing challenges, including climate change-induced floods, droughts, salinity, cyclones, and heat stress, alongside population growth, rising food demand, land scarcity, urbanisation, and changing dietary needs towards more diverse and nutritious food, he said.

The additional secretary noted that the outlook would tackle such issues by enabling climate-smart agriculture, promoting sustainable management of natural resources, and ensuring policy coherence across agriculture, water, environment, trade, and health sectors.

Agriculture Adviser Lt Gen (retd) Md Jahangir Alam Chowdhury said that the sector now faces increasingly complex challenges, including climate change, pressure on land and water resources, population growth, and fluctuations in global markets.

"Short-term measures are not enough to address these challenges," he said, highlighting the importance of a long-term, strategic vision such as the outlook.

On the thematic framework, Agriculture Secretary Mohammad Emdad Ullah Mian said the plan is a "living document" designed for regular updates.

"It covers 13 thematic areas, 35 sub-sectors, and six agricultural hotspots, factoring in climate change and regional potential," he said.

On internal capacity, he explained that separate 25-year plans are being developed for each of the Ministry's 17 departments and agencies, clearly defining roles and responsibilities.

The outlook emphasises balancing human and non-human consumption needs, promoting diversification, and strengthening value addition and agro-processing to enhance farm incomes and national competitiveness.

Jiaoqun Shi, representative of the Food and Agriculture Organization of the United Nations (FAO) in Bangladesh, emphasised that the timing of this initiative is critical as Bangladesh advances towards LDC graduation and as the agricultural sector undergoes structural transformation.

"This outlook provides a forward-looking, flexible framework to support informed, evidence-based decision-making amid climate change, market volatility, and social transformation," he said.

He further stressed the need for stronger investment in big data, robust information systems, and high-quality neutral data across institutions.

Why does central bank's independence matter?

ASHIKUR RAHMAN

An independent and effective central bank in a transforming economy is no longer a technocratic luxury or a symbolic nod to international best practice. It is a foundational safeguard for any country seeking macroeconomic stability, financial discipline and protection from elite capture. For Bangladesh, it reflects a hard-earned lesson from repeated cycles of banking sector distress, inflationary pressure and policy subordination to short-term political interests, alongside unchecked plundering by economic oligarchs. At its core, central bank independence exists to protect monetary policy and financial supervision from capture by governments seeking cheap financing, politically connected borrowers and powerful actors thriving in an opaque economic ecosystem.

When a central bank lacks autonomy, the costs are not abstract. They materialise through excessive credit expansion, regulatory forbearance, the accumulation of non-performing loans, erosion of depositor confidence and, ultimately, fiscal bailouts borne by ordinary citizens.

Bangladesh's recent economic history offers ample evidence of this pattern. Weak regulatory enforcement, delayed corrective action against distressed banks, and tolerance of repeated loan rescheduling have hollowed out the credibility of financial supervision. It is therefore unsurprising that non-performing loans in the banking sector have reportedly climbed as high as 36 percent, underscoring deep structural fragility. Inflationary pressures, once dismissed as transitory or imported, increasingly reflect domestic policy constraints, including fiscal dominance and the inability of monetary authorities to act decisively. These outcomes are not failures of individual policymakers. They are symptoms of institutional weakness.

This is why central bank independence must be understood as a structural reform, not a rhetorical commitment. Independence provides the guardrails that allow a central bank to say "no". No to monetising fiscal deficits. No to regulatory indulgence for politically influential banks. No to sacrificing long-term stability for short-term convenience. Without these guardrails, monetary policy becomes reactive, supervision selective and public trust steadily erodes.

The interim government now stands at a rare historical juncture. Transitional moments, precisely because they are not driven by electoral cycles, create a narrow window to implement reforms that are politically difficult but economically essential. Strengthening the autonomy of Bangladesh Bank, clarifying its mandate, insulating appointments and decision-making from political pressure, and reinforcing its supervisory authority would signal a clear break from past practice.

Failure to act will not be neutral. It will be costly. Continued subordination of Bangladesh Bank will keep inflation expectations fragile, sustain moral hazard in the banking sector and prolong crisis management through public resources. More importantly, it will reinforce the perception that even in moments of national reset, vested interests remain untouchable.

History is rarely kind to policymakers who mistake opportunity for caution. If the Interim Government chooses to defer or dilute the agenda of central bank independence, it will be remembered not for stability but for a missed chance to establish an institutional legacy capable of reshaping financial governance for decades. Future crises, inevitable in any economy, will be judged against the knowledge that reforms were possible yet consciously postponed.

There is no illusion that Bangladesh Bank independence alone will resolve all macroeconomic or financial sector challenges. But without it, none of the other reforms, whether banking resolution, fiscal discipline, inflation control or private investment revival, can be sustained. Independence is not about removing accountability. It is about placing accountability where it belongs, in transparent rules, professional judgement and long-term economic stewardship. The question is no longer whether independence is desirable. It is whether Bangladesh is prepared to bear the long-term cost of refusing it. History, as always, will deliver its verdict.

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Europe scores tentative trade deal win over India

India's Prime Minister Narendra Modi (right), along with European Commission President Ursula von der Leyen (left) and European Council President Antonio Costa, addresses joint press statements after their meeting at the Hyderabad House in New Delhi on Tuesday.

PHOTO: AFP

REUTERS, *Mumbai*

Adversity sometimes moves things along like nothing else. Under pressure from the threat of Washington's tariffs, India and the European Union on Tuesday agreed the contours of a trade deal after muddling through stop-start negotiations for nearly 19 years. The deal could significantly ease market access for both partners sharing a 180 billion euro ($214 billion) trade relationship. Yet the handicaps that the South Asian country is trying to overcome by easing protectionism are precisely what skews the terms in Brussels' favour.

India agreed to lower duties on high-end cars and liquor, which could improve the presence of European companies from Volkswagen to Renault that have so far found the world's fifth largest economy difficult to tap. In exchange, it secured in one shot a major market for goods from shrimps to textiles that might get locked out of the US due to a punitive 50 percent tariff. Indian services firms will also gain steadier access to sectors from information technology to education.

The benefits seem lopsided, though. Most Indian goods only faced an average EU duty of only 3.3 percent, data by the World Trade Organization shows. Also, Brussels hasn't acceded to easing its carbon tax rules. By contrast, European industries were subject to tariffs above 10 percent on average, with machinery and car makers facing duties of 44 percent and 110 percent, respectively. Those will now be slashed to zero and 10 percent.

The EU's overall gains are still small, but the comparison with the less advantageous trade deal that Britain signed with India last year drives home the importance of having a big domestic market. Brussels could sell small concessions as big boons because it only exports 2 percent of its goods to India, while being home to 18 percent of Indian sales.

ANALYSIS

To be sure, New Delhi takes on limited risks. Indian farmers and dairy producers will remain protected even as import levies on less sensitive goods like olive oil and fruit juices gradually drop to zero. Car tariffs will come down slowly, buying time for local manufacturers like Tata Motors Passenger Vehicles and Mahindra & Mahindra to adjust, and will still apply to marques priced above 15,000 euros ($17,832).

For India, this is a long-term gamble to further its ambition of becoming an export powerhouse, which requires reversing weak foreign direct investment and bringing in superior technical knowhow in industries from car manufacturing to medical equipment. Exposure to the discipline of foreign markets, namely the EU's strict health and safety rules, is a necessary step to ape the development experience of Japan, South Korea and China.

In the meantime, however, the poor quality of Indian products could make it hard to penetrate new markets. It's one reason India's trade deficit with the Association of South East Asian Nations has been growing despite safeguards from a deal signed in 2009. At least for now, Brussels seems to have gained the better end of the deal.

India and the European Union on January 27 announced the completion of a long-pending trade deal. The agreement is expected to double the EU's goods exports to India by 2032 by eliminating or reducing tariffs in 96.6 percent of goods by value and save around 4 billion euros ($4.75 billion) per year in duties, the EU said.

The 27-nation bloc will cut duties on 99.5 percent of goods traded over seven years, with tariffs on Indian marine goods, leather and textile products, chemicals, rubber, base metals and gems and jewellery falling to zero on entry, India's trade ministry said in a statement.

New Delhi will slash tariffs on cars to 10 percent over five years from as high as 110 percent, according to an EU statement. Levies on alcoholic beverages like wines will drop to 75 percent immediately from 150 percent, and will be lowered to 20 percent gradually, while those on spirits will be lowered to 40 percent, the statement added.

SoftBank in talks to invest up to $30b more in OpenAI

REUTERS

SoftBank Group Corp is in talks to invest as much as an additional $30 billion in OpenAI, a person familiar with the matter said on Tuesday, as the Japanese conglomerate doubles down on its bet on the ChatGPT owner.

The fresh investment would form part of a funding round that could raise up to $100 billion for OpenAI, valuing it at about $830 billion, the person said.

The source declined to be identified as the information had not been publicly disclosed.

Seeking to improve SoftBank's position in the artificial intelligence race, Chief Executive Masayoshi Son has made an "all-in" bet on OpenAI. In December, SoftBank said it had completed a $41 billion investment in OpenAI, giving it an 11 percent stake.

OpenAI is grappling with rising costs to train and run its AI models as competition from Alphabet's Google ratchets up.

The news was first reported by the Wall Street Journal.

SoftBank, whose shares were up 3.5 percent in Tokyo morning trade, declined to comment.

Reuters reported last month that Son had scrambled to marshal the funds for the previous investment, slowing most other dealmaking at SoftBank's Vision Fund to a crawl.

Both OpenAI and SoftBank are also investors in Stargate, a $500 billion initiative to build AI data centers for training and inference that executives say is crucial to the US government's ambitions to keep ahead of China in AI.